

Message Text

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C O N F I D E N T I A L STATE 240780

FOR UNDER SECRETARY ROBINSON

FOLLOWING REPEAT OECD PARIS 25407, SENT SECSTATE, INFO EC BRUSSELS
OCTOBER 1:

QUOTE C O N F I D E N T I A L OECD PARIS 25407

E.O. 11652: GDS

TAGS: EGEN, OECD

SUBJECT: OECD ROLE IN DIALOGUE

REF: OECD 24479

1. BEGIN SUMMARY: THE OECD HAS BEEN CHARGED WITH MAJOR BUT STILL INCOMPLETELY DEFINED RESPONSIBILITIES IN BACK-STOPPING DEVELOPED COUNTRY PARTICIPATION IN NORTH/SOUTH DIALOGUE. WE HAVE BEEN EXAMINING INTENSIVELY WITHIN THE MISSION HOW OECD CAN BEST BE USED TO ACHIEVE US OBJECTIVES IN THIS NEW PHASE. OECD SEC GEN VAN LENNEP AND HIS TOP STAFF HAVE BEEN CONSIDERING THE PROCEDURAL ISSUES RELATING TO THE USE OF OECD, AS HAVE OTHER MEMBER GOVERNMENTS. A SECOND DISCUSSION OF THESE MATTERS WILL BE HELD BY OECD HEADS OF DEL ON OCTOBER 7 (THE FIRST ONE WAS HELD SEPTEMBER 18; SEE REFTEL) AND THE DEPARTMENT'S CONFIDENTIAL

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GUIDANCE WILL BE NEEDED.

2. VAN LENNEP'S CURRENT VIEWS OF PROCEDURAL ASPECTS OF THE DIALOGUE REFLECT CONSIDERABLE EVOLUTION IN HIS

THINKING. HE DOES NOT BELIEVE IT NECESSARY TO ENDOW ANY SPECIFIC BODY WITH AN OVERALL COORDINATING ROLE. IN HIS VIEW, MAIN ACTION SHOULD BE IN THE FOUR BACK-STOPPING GROUPS FOR THE COMMISSIONS WHICH SHOULD BEGIN TO COME TO GRIPS WITH THEIR SUBSTANTIVE WORK. XCSS SHOULD HAVE A MAJOR SUBSTANTIVE ROLE WITH REGARD TO THE WORK OF THE COMMISSIONS ON DEVELOPMENT, COMMODITIES AND FINANCIAL MATTERS. VAN LENNEP BELIEVES THAT QUESTIONS OF INTERRELATIONSHIPS AMONG THE WORK OF THE FOUR COMMISSIONS CAN BE DEALT WITH INFORMALLY, INCLUDING IN AN INFORMAL GROUP ASSOCIATED WITH XCSS. WE AGREE AND BELIEVE IT IMPORTANT TO GIVE GREATER IMPETUS TO THE WORK OF THE BACK-STOPPING GROUPS AND SEIZE THEM WITH THE FULL PANOPLY OF US PROPOSALS TO ASSURE THAT THE US WILL DOMINATE PREPARATION FOR THE DIALOGUE. DETAILS OF VAN LENNEP'S THINKING AND OUR OWN RECOMMENDATIONS FOLLOW. END SUMMARY.

3. VAN LENNEP'S VIEWS

SEC GEN VAN LENNEP REGARDS THE DIALOGUE AS A MAJOR CHALLENGE AND OPPORTUNITY FOR OECD. HIS NATURAL BUREAUCRATIC INSTINCTS ARE TO ASSERT THE WIDEST POSSIBLE ROLE FOR OECD. HOWEVER, HE HAS COME TO REALIZE THE POLITICAL FACTS OF LIFE IN THINKING THROUGH THE PROBLEM.

4. THROUGH THE PREPCON

(A) PROCEDURAL ISSUES

THE MAIN ACTION ON THE PROCEDURAL SIDE MUST REMAIN BILATERAL, IN BRUSSELS AND IN IEA, WITH OECD AS AN ORGANIZATION, IN VAN LENNEP'S VIEW, HAVING LITTLE TO CONTRIBUTE.

(B) INFORMATION EXCHANGE

THE OECD HEADS OF DEL MIGHT BE USED TO PROVIDE INFORMATION ON THE PREPCON TO COUNTRIES NEITHER IN IEA NOR THE PREPCON.

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5. BETWEEN THE PREPCON AND THE MINISTERIAL

(A) DECISION ON COUNTRY PARTICIPATION

VAN LENNEP BELIEVES THERE MAY BE A ROLE FOR THE OECD IN PROVIDING A FRAMEWORK IN WHICH OECD GOVERNMENTS COULD REACH FINAL AGREEMENT ON DC PARTICIPATION. IN HIS VIEW, THIS DECISION PROBABLY SHOULD BE REACHED IN THE HEADS OF DEL AND NOT IN ANY FORMAL OECD BODY SUBJECT TO THE UNANIMITY RULE. HE IS VERY MUCH AWARE THAT THE REAL CHOICE WILL BE MADE IN THE COURSE OF INFORMAL CONTACTS AMONG GOVERNMENTS.

(B) PREPARATIONS FOR DIALOGUE

IMMEDIATELY AFTER PREPCON HE BELIEVES OECD COUNTRIES

SHOULD TRY TO REACH SOME UNDERSTANDING AS TO THEIR GOALS FOR THE DPALOGUE AND SOME COMMON VIEW ON HOW THE COMMISSIONS SHOULD WORK. VAN LENNEP RECOGNIZES THAT IEA IS ALREADY ATTEMPTING TO DEFINE GOALS FOR THE ENERGY COMMISSION. HE SUGGESTS THAT THE XCSS MEETING OF OCTOBER 21-22 SHOULD DIRECT THE TWO HLGS ON NORTH/SOUTH RELATIONS AND COMMODITIES AND POSSIBLY THE TEMPORARY WORKING PARTY ON FINANCIAL QUESTIONS TO BEGIN TO COME TO GRIPS WITH THE WORK OF THE OTHER COMMISSIONS. HE BELIEVES THEY SHOULD BE INSTRUCTED TO COME UP WITH GENERAL POLICY PAPERS ON ISSUES LIKELY TO ARISE IN THE RESPECTIVE COMMISSIONS, PERHAPS IN FORM OF BRIEFS. VAN LENNEP FEELS STRONGLY THAT THE PERFORMANCE OF OECD MEMBER COUNTRY REPS IN THE COMMISSIONS WOULD BE MORE EFFECTIVE IF THEY WORKED ON THE BASIS OF POSITIONS DISCUSSED AND HARMONIZED IN OECD. HE FEELS IT ESSENTIAL TO ENVELOP THE PROCESS OF EC COORDINATION IN BROADER PROCESS OF HARMONIZING OECD-WIDE POSITIONS.

VAN LENNEP BELIEVES THE ALGERIANS MAY RAISE THE ISSUE OF TERMS OF REFERENCE OF THE COMMISSIONS AT THE PREPCON. LEAVING ASIDE ENERGY, HE SAYS THAT THERE ARE SENSITIVE ISSUES AS TO OVERLAPPING FUNCTIONS AMONG THE OTHER THREE COMMISSIONS AND THE XCSS MIGHT BE A USEFUL FORUM FOR REVIEWING THIS MATTER. IN THIS CONNECTION, THE VAN YPERSELE GROUP'S MANDATE, IN HIS OPINION, SHOQLD BE BROADENED TO INCLUDE THE FINANCIAL ASPECTS OF DIALOGUE-RELATED ISSUES.

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6. AFTER MINISTERIAL MEETING

(A) COORDINATION OF COUNTRY POSITIONS AND WORK OF THREE NON-ENERGY COMMISSIONS

EXPLICITLY SETTING ASIDE ENERGY, VAN LENNEP SEES THE TASK OF COORDINATION AFTER THE MINISTERIAL AS TWO-FOLD. THE FIRST AND MORE IMMEDIATE TASK WILL BE COORDINATING POSITIONS OF MEMBER GOVERNMENTS. THE OTHER TASK WHICH HE CONSIDERS SOMEWHAT LESS URGENT IS COORDINATING THE WORK OF THE THREE COMMISSIONS WHICH MAY OVERLAP AND DEVELOP INCONSISTENCIES. THE FIRST TASK WILL MAINLY TAKE PLACE IN THE THREE SPECIAL GROUPS. AS FOR THE TASK OF COORDINATING THE WORK OF THE COMMISSIONS HE SEES SEVERAL POSSIBILITIES. THE MOST INFORMAL TECHNIQUE WOULD BE PERIODIC MEETINGS OF THE OECD GROUP CHAIRMEN AND HE HAS ALREADY BROUGHT THEM TOGETHER ONCE. HE RECOGNIZES THE LIMITATIONS OF THIS TECHNIQUE GIVEN THE FACT THAT THE US AND SOME OF THE OTHER MAIN COUNTRIES WOULD NOT BE REPRESENTED. ANOTHER TECHNIQUE WOULD BE TO INVITE THE CHAIRMEN TO ATTEND XCSS OR BETTER YET AN INFORMAL "BUREAU" OF XCSS, AND HAVE THAT BODY DISCUSS ANY PROBLEMS OF OVERLAP. HE SAYS JOLLES INTENDS AT THE NEXT XCSS MEETING, PERHAPS

IN A RESTRICTED HEADS OF DEL SESSION, TO RAISE THE PROBLEM OF HOW XCSS ITSELF CAN BEST ORGANIZE TO EXERCISE A COORDINATING ROLE. JOLLES IS THINKING OF SETTING UP SOME SORT OF STEERING OR LEADERSHIP GROUP THAT CAN MEET MORE FREQUENTLY THAN THE FULL XCSS. VAN LENNEP SHARES OUR VIEW THAT SETTING UP A RESTRICTED BODY IN XCSS MIGHT BEST BE DONE INFORMALLY, LEST IT RISK BEING VETOED BY THOSE EXCLUDED.

(B) FREQUENCY OF MEETINGS AND EXCHANGE OF INFORMATION

VAN LENNEP BELIEVES THAT AFTER THE MINISTERIAL MEETING THE DIALOGUE MAY REQUIRE MORE FREQUENT AND MORE ACTIVE MEETINGS OF THE VARIOUS BACK-STOPPING GROUPS, AND POSSIBLY FREQUENT MEETINGS OF AN INFORMAL COORDINATING MECHANISM. AS MENTIONED ABOVE, IT MAY BE ADVISABLE TO TRANSMIT INFORMATION ON DEVELOPMENTS IN THE DIALOGUE TO NON-PARTICIPATING COUNTRIES AT TIMES

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WHEN THE APPROPRIATE PLENARY GROUP MAY NOT BE SCHEDULED TO MEET. HE BELIEVES IT WOULD BE USEFUL TO USE THE OECD HEADS OF DEL FOR SUCH INFORMATION EXCHANGES AND ALLEGES THIS AS ONE REASON FOR FAVORING PARIS AS THE SITE OF THE COMMISSIONS.

7. RELATIONSHIP OF ENERGY TO OTHER ASPECTS OF DIALOGUE

(A) LINKAGE PROBLEM

VAN LENNEP RECOGNIZES THE SENSITIVITY OF THIS ISSUE. HE ACKNOWLEDGES THAT ENERGY IS THE CENTERPIECE OF THE DIALOGUE, THAT THE IEA THEREFORE HAS SPECIAL RESPONSIBILITIES AND THAT THIS RAISES THE FRENCH PROBLEM. HE WOULD PREFER TO PUT OFF DISCUSSION OF THE PROCEDURAL ISSUE OF WHERE THE OVERALL STRATEGY OF THE DIALOGUE OR A SO-CALLED PACKAGE APPROACH COULD BE TAKEN UP SINCE IT WOULD BE DANGEROUS TO TRY TO DECIDE AT THIS TIME IN VACUO WHETHER ENERGY SHOULD BE ENCOMPASSED BY XCSS TOGETHER WITH THE OTHER PARTS OF THE DIALOGUE OR WHETHER IEA SHOULD CONTROL THE STRATEGY OF ALL PARTS OF THE DIALOGUE. THIS IS A PROBLEM WHICH NEED NOT BE FACED NOW, HE FEELS, BECAUSE LINKAGE IS NOT A PRESSING ISSUE. A PACKAGE APPROACH WILL ONLY BE DEVELOPED AT A LATER STAGE IF AT ALL. THERE ARE SOME ISSUES WHICH DO CUT ACROSS THE WORK OF ALL FOUR COMMISSIONS, E.G. THE INDEXATION PROBLEM, BUT INFORMAL CHANNELS CAN BE USED TO DEAL WITH THESE MATTERS. ONE OF THESE CHANNELS MIGHT BE THE INFORMAL GROUP OF XCSS REFERRED TO ABOVE.

(B) COMPOSITION OF INFORMAL XCSS GROUP

WE HELD A BRIEF DISCUSSION OF WHAT SORT OF INFORMAL GROUP COULD BE BUILT. VAN LENNEP DOES NOT BELIEVE IT

REALISTIC TO THINK THAT THE EC COULD BE REPRESENTED BY ONE SPOKESMAN. IF SO, WOULD IT BE EC COMMISSION OR AN ITALIAN AS REPRESENTATIVE OF THE EC PRESIDENCY (NEXT YEAR THE LUXEMBOURGER)? HE BELIEVES THAT IN ADDITION TO THE U.S. AND JAPAN, THE BIG THREE EUROPEAN COUNTRIES SHOULD BE REPRESENTED, AS SHOULD THE COMMISSION (PREFERABLY WELLENSTEIN) AS WELL AS THE MAIN COMMITTEE CHAIRMEN, DAVIGNON, PRESTON, ROBERT, JOLLES AND VAN YPERSELE. ROBERT CAN ALSO SPEAK FOR THE FRG BUT PRESTON, ALTHOUGH CONFIDENTIAL

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QUITE COMPETENT, DOES NOT SPEAK FOR THE FOREIGN OFFICE WHICH IS CONCERNED WITH THE DIALOGUE.

8. MISSION RECOMMENDATIONS

OUR OWN RECOMMENDATIONS, TAKING INTO ACCOUNT VAN LENNEP'S, FOLLOW:

-- THE HLG'S ON NORTH/SOUTH RELATIONS AND COMMODITIES SHOULD TRY TO PREPARE SUBSTANTIVE POSITIONS FOR USE IN THE DEVELOPMENT AND COMMODITY COMMISSIONS.

-- THE COUNCIL SHOULD BE ASKED TO ENLARGE THE MANDATE OF THE VAN YPERSELE GROUP (TEMPORARY WORKING PARTY) TO COVER DIALOGUE-RELATED FINANCIAL ISSUES TO COME UP IN THE FINANCIAL COMMISSION, AND BE PLACED UNDER THE POLICY-GUIDANCE OF XCSS ON THESE QUESTIONS. (THE PARSKY GROUP SHOULD CONTINUE TO DEVELOP IEA POSITIONS ON ENERGY-RELATED FINANCIAL ISSUES AND MAINTAIN INFORMAL CONTACT WITH TWP.)

-- XCSS SHOULD BE USED AS A FORUM TO HELP DEVELOP A COMMON UNDERSTANDING OF OVERALL OBJECTIVES OF DIALOGUE, TO LAY OUT SPECIFIC TASKS FOR THE DEVELOPMENT, COMMODITY, AND FINANCIAL GROUPS IN PREPARING FOR WORK IN THE THREE NON-ENERGY COMMISSIONS AND TO RESOLVE SUBSTANTIVE ISSUES ARISING IN THE COURSE OF THE WORK. IN THIS CONNECTION IT MIGHT ALSO UNDERTAKE TO DEVELOP AN OECD POSITION ON THE TERMS OF REFERENCE OF THE THREE COMMISSIONS.

-- IEA SHOULD CONTINUE PREPARING FOR THE ENERGY COMMISSION. WE SHOULD USE IEA FORUM TO EXTENT POSSIBLE TO DEVELOP AN INFORMAL CONSENSUS ON IMMEDIATE PROCEDURAL ISSUES AND OVERALL STRATEGY (TO EXTENT NEEDED AT THIS STAGE) BEFORE EC-9 POSITIONS ARE FIXED AND BEFORE ANY OF THESE ISSUES COME UP IN AN OECD-WIDE FORUM.

-- WE SHOULD RELY ON INFORMAL MEANS FOR ASSURING OVERALL COORDINATION OF DIALOGUE AT THIS STAGE, INCLUDING A RESTRUCTURED XCSS INFORMAL GROUP, INCLUDING KEY COUNTRIES, EC COMMISSION AND APPROPRIATE

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COMMITTEE CHAIRMEN. THE COMPOSITION OF THIS GROUP NEEDS FURTHER THOUGHT AND CONSULTATION WITH JOLLES AND VAN LENNEP.

-- OECD HEADS OF DEL SHOULD BE USED FOR BRIEFING AND EXCHANGE OF INFORMATION ON PROGRESS OF DIALOGUE AND FOR RUBBER-STAMPING APPROPRIATE PROCEDURAL DECISIONS SUCH AS DC REPRESENTATION.

9. CONCLUSION

THUS FAR, THE US HAS DOMINATED THE PREPARATORY STAGES OF THE DIALOGUE BY THE EXCELLENCE AND COMPREHENSIVENESS OF ITS POSITIONS, BY GOOD WORK IN CAPITALS AND BY CONSULTATIONS WITHIN THE FRAMEWORK OF COMMITMENT TO A COMMON POSITION IN IEA. THE BROADENING OF THE DIALOGUE NECESSARILY ENTAILS DEVELOPING EFFECTIVE MECHANISMS TO BACKSTOP THE NON-ENERGY AREAS. IT WILL BE TO THE US ADVANTAGE TO SEEK TO USE THE OECD-WIDE XCSS AND THE NORTH/SOUTH, COMMODITY AND FINANCIAL GROUPS AS INTENSIVELY AS POSSIBLE BY EARLY SUBMISSION OF CONCRETE PROPOSALS AND INSISTING ON A STEPPED-UP MEETING SCHEDULE TO TRY TO HAMMER OUT COORDINATED POSITIONS. THE FIRST CRITICAL TEST WILL BE THE OCTOBER 21-22 MEETING OF THE XCSS, A BODY WHOSE POTENTIAL IS STILL UNREALIZED. IT WOULD BE HELPFUL TO HAVE THE GROUND FOR THIS MEETING LAID AS THOROUGHLY AND EARLY AS POSSIBLE WITH JOLLES, THE SECRETARIAT AND IN KEY CAPITALS TO ASSURE A USEFUL, SUBSTANTIVE DISCUSSION AND OUTCOME.
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